CITY OF TRENTON

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 1985

CITY OF TRENTON
INDEX - 1985

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WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Members of Council
Inhabitants and Ratepayers
of the Corporation of the
City of Trenton

We have examined the consolidated balance sheet of the Corporation of the City of Trenton as at December 31, 1985 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation of the City of Trenton as at December 31, 1985, and the results of its operations for the year then ended in accordance with the accounting principles prescribed for Ontario Municipalities applied on a basis consistent with that of the preceding year.

Wilkinson & Company
Chartered Accountants
Municipal Licence #1117

Trenton, Ontario
April 4, 1986

CITY OF TRENTON

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1985

ASSETS

	1985 $	1984 $
UNRESTRICTED		
Cash	131,672	33,773
Taxes receivable	489,840	465,619
Accounts receivable	557,151	743,200
Other current assets	77,357	75,744
Long-term assets	9,861	9,861
	1,265,881	1,328,197
RESTRICTED		
Cash	256,320	208,740
Other current assets	2,617	563
Long-term receivables	-	146,743
	258,937	356,046
CAPITAL OUTLAY FINANCED BY LONG-TERM LIABILITIES AND TO BE RECOVERED IN FUTURE YEARS - Note 1(b)	1,300,792	428,996
	2,825,610	2,113,239

LIABILITIES

CURRENT		
Temporary loans	-	476,679
Accounts payable and accrued liabilities	771,685	1,182,595
	771,685	1,659,274
NET LONG-TERM LIABILITIES - Note 5	1,300,792	428,996
FUND BALANCES AT THE END OF THE YEAR		
To be used to offset taxation or user charges in 1986 - Note 6	416,605	315,080
Capital operations not yet permanently financed - Note 6	(208,356)	(1,184,725)
Reserves - Note 7	322,651	497,863
Reserve funds - Note 7	222,233	396,751
	2,825,610	2,113,239

The accompanying notes form an integral part of these financial statements

CITY OF

CONSOLIDATED STATE

FOR THE YEAR ENDED

	1985 BUDGET $	1985 ACTUAL $	1984 ACTUAL $
SOURCES OF FINANCING:			
TAXATION AND USER CHARGES			
Residential and farm taxation	4,692,623	4,681,833	4,284,097
Commercial, industrial and business taxation	4,058,063	4,142,180	3,766,891
Taxation from other Governments	281,841	303,698	281,482
User charges	1,706,041	1,903,581	1,689,934
GRANTS			
Government of Canada	35,331	18,057	51,640
Province of Ontario	2,972,286	3,031,885	2,808,875
OTHER			
Penalty and interest on taxes	75,000	76,260	74,824
Investment income	81,735	89,878	185,233
Sale of land	51,000	225,427	30,802
Other	141,680	151,533	159,232
Deduct: amounts received or receivable for school boards - Note 2	(4,505,666)	(4,549,581)	(4,091,201)
Proceeds from the issue of long-term liabilities	973,474	973,474	-
NET APPROPRIATIONS FROM RESERVES AND RESERVE FUNDS	140,415	202,987	182,897
MUNICIPAL FUND BALANCES AT THE BEGINNING OF THE YEAR - Note 6			
To be used to offset taxation or user charges	315,080	315,080	568,506
Capital operations not yet financed	(1,184,725)	(1,184,725)	(338,326)
TOTAL FINANCING AVAILABLE DURING THE YEAR	9,834,178	10,381,567	9,654,886

The accompanying
integral part of these

CITY OF TRENTON

DATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1985

984 TUAL $		1985 BUDGET $	1985 ACTUAL $	1984 ACTUAL $
	APPLIED TO:			
4,097	CURRENT OPERATIONS			
	General Government	637,465	693,370	608,819
6,891	Protection to persons and property	2,511,539	2,463,181	2,260,772
1,482	Transportation services	1,586,367	1,647,872	1,517,339
9,934	Environmental services	1,552,243	1,524,263	1,578,555
	Health services	79,392	79,392	71,534
	Social and family services	395,232	354,931	367,134
1,640	Recreation and cultural services	1,346,575	1,332,086	1,227,563
8,875	Planning and development	295,854	271,939	297,250
		8,404,667	8,367,034	7,928,966
4,824				
5,233				
0,802				
9,232	CAPITAL			
	General Government	21,440	27,102	1,335
	Protection to persons and property	416,159	367,275	578,766
1,201)	Transportation services	1,032,351	1,006,745	1,047,483
	Environmental services	72,000	56,257	136,217
-	Social and family services	-	53,162	-
	Recreation and cultural services	186,932	261,184	739,522
2,897	Planning and development	38,800	34,559	92,242
		1,767,682	1,806,284	2,595,565
	MUNICIPAL FUND BALANCES (DEFICIT) AT THE END OF THE YEAR			
,506				
,326)	To be used to offset taxation or user charges	43,457	416,605	315,080
	Capital operations not yet financed	(381,628)	(208,356)	(1,184,725)
,886	TOTAL APPLICATIONS DURING THE YEAR	9,834,178	10,381,567	9,654,886

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rt of these financial statements

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

1. ACCOUNTING POLICIES

(a) Basis of Consolidation

(i) Consolidated Balance Sheet

This statement reflects the assets and liabilities of the revenue fund, reserve funds, the capital fund and includes the activities of all committees of Council and the following local boards and municipal enterprise which are under the control of council:

Local Boards:
Trenton Memorial Public Library Board
Trenton Downtown Business Improvement Area Board of Management

Municipal Enterprise:
Trenton Parking Authority

All interfund assets and liabilities are eliminated with the exception of loans or advances between the reserve funds and other funds of the Municipality.

(ii) Consolidated Statement of Operations

This statement reflects the consolidated sources of financing and expenditures of the revenue fund, reserves, reserve funds, and the capital fund of the municipality and those local boards and municipal enterprise described in Note 1 (a) (i).

All interfund sources of financing and expenditures are eliminated with the exception of interest income and expenditures arising from loans and advances between the reserve funds and other funds of the Municipality.

(iii) Non-Consolidated Entities

For those municipal enterprises of the municipality which are not consolidated, the "Consolidated Balance Sheet" does not reflect their assets or liabilities except to the extent of amounts due to or from those entities.

The "Consolidated Statement of Operations" does not reflect their revenues and expenditures except to the extent of the municipality's contribution to those entities.

Those municipal enterprises which are not consolidated are as follows:

Trenton Public Utilities Commission - Waterworks
Trenton Public Utilities Commission - Electric Department

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

1. ACCOUNTING POLICIES (Cont'd)

(a) Basis of Consolidation (Cont'd)

(iv) Accounting for School Board Transactions

The taxation and other revenues with respect to the operations of the school boards are reflected in the Consolidated Statement of Operations but with no effect on the Municipal Fund Balances since the total is shown as a deduction.

In addition, the expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements except to the extent that over-levies (underlevies) are reported on the "Consolidated Balance Sheet" as "other current liabilities" ("other current assets").

(v) Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity and Balance Sheet."

(b) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long-term liabilities which are charged against operations in the periods in which they are paid. The principal and interest charges are not accrued for the periods from the dates of the latest instalment payments to the end of the financial year.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Consolidated Statement of Operations in the year of acquisition. For those fixed assets financed or to be financed by the issue of long-term indebtedness, the principal and interest on the long-term indebtedness are also reported on the Consolidated Statement of Operations as they are paid.

(iv) Capital Outlay to be Recovered in Future Years

"Capital outlay to be recovered in future years", represents the outstanding principal portion of unmatured long-term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the "Consolidated Balance Sheet".

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

2. OPERATIONS OF SCHOOL BOARDS

The taxation, expenditures and overlevies of the school boards are comprised of the following:

	Elementary Public School Purposes $	Separate School Purposes $	Secondary School Purposes $	Total $
Taxation	2,135,949	354,679	2,058,953	4,549,581
Requisitions, including supplementary taxes	2,139,153	354,679	2,058,271	4,552,103
Underlevies for the year	(3,204)	-	682	(2,522)
Overlevies - beginning of year	234	-	(382)	(148)
Over (under) levies - end of year	(2,970)	-	300	(2,670)

3. LIABILITY FOR PAST SERVICE PROVISION OF PENSION AGREEMENTS

Under the past service provision of pension agreements, the municipality is obligated at December 31, 1985 for an amount of approximately $147,897 (1984 - $163,244) as established for the plans. No provision has been made for this past service liability. An amount of $28,407 was expended in the current year (1984 - $28,407) representing principal of $15,347 and interest of $13,060 and is reported on the "Consolidated Statement of Operations". The balance of this liability will be funded over seven years in blended instalments of principal and interest of $28,407 per year.

4. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the former sick leave benefit plan, unused sick leave could accumulate and employees could become entitled to a cash payment when they left the City's employment.

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

4. LIABILITY FOR VESTED SICK LEAVE BENEFITS (Cont'd)

Certain employees are now participating in a disability income plan. As a result of this, the accumulated sick leave benefits related to these employees are being paid out over a period of years to 1989.

The liability for these accumulated days, to the extent they have been vested and will be taken in cash by employees, amounted to $301,214 at the end of the year.

Certain employees continue under the former sick leave plan. The liability for these accumulated days, to the extent that they have vested and could be taken by these employees on terminating, amounted to $398,327 at the end of the year.

An amount of $218,829 has been provided for this past service liability.

5. NET LONG-TERM LIABILITIES

	1985 $	1984 $
(a) The balance of net liabilities reported on the "Consolidated Balance Sheet" is made up of the following:		
Total long-term liabilities incurred by the municipality including those incurred on behalf of school boards, municipal enterprises, and individuals and outstanding at the end of the year amounted to:	1,975,717	1,221,321
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by school boards. At the end of the year, the outstanding principal amount of this liability is:	(17,295)	(72,000)
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by unconsolidated municipal enterprises. At the end of the year, the outstanding principal amount of this liability is:	(532,000)	(557,000)

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

5. NET LONG-TERM LIABILITIES (Cont'd)

Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for shoreline property assistance loans has been assumed by individuals. At the end of the year, the outstanding principal amount of this liability is:	(9,710)	(10,134)
The total value of sinking funds and the balance in the Ministry of the Environment Debt Retirement Fund which have been accumulated to the end of the year to retire the outstanding long-term liabilities included above amount to:	(115,920)	(153,191)
Net long-term liabilities at end of year	1,300,792	428,996

(b) Of the net long-term liabilities reported in (a) of this note, $510,260 in principal payments are payable from 1986 to 1990, $747,320 from 1991 to 1995, and $43,211 thereafter and are summarized as follows:

	1986 to 1990 $	1991 to 1995 $	1996 and thereafter $
From general municipal revenue	490,260	737,636	43,212
From benefitting landowners	20,000	9,684	-
	510,260	747,320	43,212

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

6. MUNICIPAL FUND BALANCES (DEFICITS) AT THE END OF THE YEAR

(a) The balance on the "Consolidated Statement of Operations" of municipal fund balances (or deficits) of $208,249 [1984 - ($869,645)] at the end of the year is comprised of the following:

	1985 $	1984 $
For general reduction of taxation	403,550	308,789
For general reduction of user charges - parking authority	13,079	10,741
For benefitting taxpayers related to special areas - D.B.I.A.	(24)	(4,450)
	416,605	315,080
Acquisition of capital assets to be financed from the proceeds of long-term liabilities	(208,356)	(934,153)
Acquisition of capital assets to be financed from taxation during the term of council	-	(250,572)
	(208,356)	(1,184,725)
	208,249	(869,645)

(b) Approval of the Ontario Municipal Board has been obtained for the pending issue of long-term liabilities and for those commitments to be financed from revenues beyond the term of Council.

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

7. RESERVES AND RESERVE FUNDS

The total balance of reserves and reserve funds of $544,884 (1984 - $894,614) is made up of the following: (See note 13)

	1985 $	1984 $
RESERVES		
Set aside for specific purpose by council		
Working funds	255,131	255,131
Insurance	6,965	3,946
Lead program	-	4,000
Roads five ton truck	-	75,851
Centennial Park lights	-	18,238
Parking meter replacement	-	71,697
Parking land acquisition	-	69,000
Quinte Street construction	60,000	-
Bain Park	100	-
Plaque	455	-
TOTAL RESERVES	322,651	497,863
RESERVE FUNDS		
Set aside for specific purpose by council		
Swing bridge repairs	17,997	27,090
Community Gardens	21,530	68,195
Fire Department equipment	69,531	64,286
Library	72,874	63,516
Dufferin Street Centre - repairs	17,886	16,530
Bicentennial celebration	1,033	1,029
	200,851	240,646
Set aside by legislation		
Subdivision parklands	18,765	8,799
Ontario Home Renewal Program	-	146,743
O.W.R.C. Reserve for Contingencies	2,617	563
	21,382	156,105
TOTAL RESERVE FUNDS	222,233	396,751
RESERVES AND RESERVE FUNDS	544,884	894,614

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

8. CHARGES FOR NET LONG-TERM LIABILITIES

Total charges for the year for net long-term liabilities which are reported on the "Consolidated Statement of Operations" are as follows:

	1985 $	1984 $
Principal payments including contributions to sinking funds and to the Ministry of the Environment Debt Retirement Fund	101,677	327,743
Interest	28,853	57,814
	130,530	385,557

The charges for long-term liabilities assumed by the non-consolidated entities or by individuals in the case of shoreline property assistance loans are not reflected in these statements.

9. CONTINGENT LIABILITIES

The municipality is contingently liable for long-term liabilities with respect to shoreline property assistance loans, and to those for which the responsibility for the payment of principal and interest has been assumed by school boards and unconsolidated municipal enterprises. The total amount outstanding as at December 31, 1985 is $559,005 (1984 - $639,134) and is not recorded on the "Consolidated Balance Sheet".

10. NONACCRUAL OF INTEREST ON LONG-TERM LIABILITIES

No provision has been made in these financial statements for the accrual of interest on the net long-term liabilities. Had this provision been made the municipal fund balances as at December 31, 1985 would have been decreased by $34,000 (1984 - $3,500).

11. COMMITMENTS

On February 16, 1983, the City entered into an agreement with Quinte Sanitation Services Limited for the collection and disposal of garbage. The agreement expires on September 30, 1988. The price of the contract is to be adjusted as of January 1st of each year to reflect changes in population and the consumer price index. The annual rate of the agreement for 1985 was $13.64 per capita (1984 - $11.45 per capita).

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

12. CONTRACTUAL OBLIGATION - MINISTRY OF THE ENVIRONMENT

In accordance with a service agreement entered into by the Municipality in 1978 with the Ministry of Environment, the existing sewage systems are owned and operated by the Ministry. The Municipality is obligated to meet all operating costs and repay the long-term liabilities related to these projects.

Included in the "Consolidated Statement of Operations" are the 1985 charges from the Ministry for sewage of $947,316. The "Consolidated Balance Sheet" does not reflect any assets or liabilities pertaining to the sewage or water systems except to the extent of service charges due to (or from) the Ministry.

Information received from the Ministry as at March 31, 1985, indicates the following:

	Accumulated Surplus (deficit) $	1985 debt charges $	Total outstanding long-term liabilities $
Sewage system	(534,555)	443,215	4,255,253

The operating deficits and long-term liabilities indicated above are not reflected in the accompanying financial statements.

13. ONTARIO HOME RENEWAL PROGRAM

"Effective January 1st, 1985, amendments to regulations require that the Ontario Home Renewal Program funds be accounted for as a trust fund and no longer as a reserve fund. This transfer of the fund balance has reduced the total opening reserve fund balances by $146,743, and is not reflected in the Consolidated Statement of Operations. The 1985 transactions for this Program are reflected in the financial statements for the trust funds of the municipality."

Reserves and Reserve Funds - December 31, 1984	$894,614
Less: Ontario Home Renewal Program	146,743
Reserves and Reserve Funds - January 1, 1985	$747,871

CITY OF TRENTON
REVENUE FUND
ANALYSIS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1985

	1985 ACTUAL $	1984 ACTUAL $
REVENUE		
Taxation and user charges		
Residential and farm taxation	4,681,833	4,284,097
Commercial, industrial and business taxation	4,142,180	3,766,891
Taxation from other Governments	303,698	281,482
User charges	1,903,581	1,689,934
Grants		
Government of Canada	18,057	37,020
Province of Ontario	2,477,111	2,324,380
Other		
Penalty and interest on taxes	76,260	74,824
Investment income	70,143	127,741
Sale of land	225,427	30,802
Other	111,936	111,915
Deduct: amount received or receivable on behalf of school boards	(4,549,581)	(4,091,201)
NET MUNICIPAL REVENUE	9,460,645	8,637,885
EXPENDITURES		
General Government	693,370	608,819
Protection to persons and property	2,463,181	2,260,772
Transportation services	1,647,872	1,517,339
Environmental services	1,524,263	1,578,555
Health services	79,392	71,534
Social and family services	354,931	367,134
Recreation and cultural services	1,332,086	1,227,563
Planning and development	271,939	237,637
	8,367,034	7,869,353
NET APPROPRIATIONS (TO) FROM OTHER FUNDS		
Reserves	175,212	(237,595)
Reserve funds	68,095	365,364
Capital operations	(1,235,393)	(1,149,727)
	(992,086)	(1,021,958)
SURPLUS (DEFICIT) FOR THE YEAR	101,525	(253,426)
SURPLUS AT THE BEGINNING OF THE YEAR	315,080	568,506
SURPLUS AT THE END OF THE YEAR - Note 6	416,605	315,080

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

CAPITAL FUND

ANALYSIS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1985

	1985 ACTUAL $	1984 ACTUAL $
SOURCES OF FUNDS		
Long-term liabilities incurred	973,474	-
Government of Canada Grants	-	14,620
Province of Ontario Grants	554,774	484,495
Investment income	22	9,744
Other	28,636	47,317
Contributions (to) from other funds		
Current operations	1,235,393	1,149,727
Reserve funds	(9,646)	43,263
	2,782,653	1,749,166
EXPENDITURES		
General government	27,102	1,335
Protection to persons and property	367,275	578,766
Transportation services	1,006,745	1,047,483
Environmental services	56,257	136,217
Social and family services	53,162	-
Recreation and cultural services	261,184	739,522
Planning and development	34,559	92,242
	1,806,284	2,595,565
CAPITAL OPERATIONS NOT YET FINANCED AT THE BEGINNING OF THE YEAR - (Net)	1,184,725	338,326
CAPITAL OPERATIONS NOT YET FINANCED AT THE END OF THE YEAR - Note 6	208,356	1,184,725

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

RESERVES AND RESERVE FUNDS

ANALYSIS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1985

	1985 ACTUAL $	1984 ACTUAL $
RESERVES		
Balance at the beginning of the year	497,863	260,268
Net contributions from (to) current operations	(175,212)	237,595
Balance at the end of the year	322,651	497,863
RESERVE FUNDS		
Balance at the beginning of the year - Note 13	250,008	817,243
REVENUE		
Interest earned	19,713	47,748
Contributions from current operations	1,905	69,960
Contributions from capital operations	17,164	-
Contributions from others	10,961	-
	49,743	117,708
EXPENDITURES		
Contributions to current operations	70,000	435,324
Contributions to capital operations	7,518	43,263
Loan forgiveness - O.H.R.P.	-	26,196
Funds returned to Province - O.H.R.P.	-	33,417
	77,518	538,200
Balance at the end of the year	222,233	396,751

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

ONTARIO HOME RENEWAL PROGRAM

TRUST FUND

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 1985

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Members of Council, Inhabitants
and Ratepayers of the Corporation of the
City of Trenton

We have prepared the balance sheet of City of Trenton - Ontario Home Renewal Program Trust Fund as at December 31, 1985, and the statement of Continuity of the Trust Fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Ontario Home Renewal Program Trust Fund for the Corporation of the City of Trenton as at December 31, 1985, and the continuity of trust funds for the year then ended in accordance with accounting principles prescribed for Ontario Municipalities applied on a basis consistent with that of the preceding year.

Wilkinson & Company

Trenton, Ontario
April 4, 1986

Chartered Accountants
Municipal Licence #1117

CITY OF TRENTON

ONTARIO HOME RENEWAL PROGRAM
TRUST FUND

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS

	1985 $
Cash	21,358
Long-term receivables	111,110
	132,468

LIABILITIES

Due to Province of Ontario	21,358
Trust Fund Balance - Note 1	111,110
	132,468

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

ONTARIO HOME RENEWAL PROGRAM
TRUST FUND

STATEMENT OF CONTINUITY

FOR THE YEAR ENDED DECEMBER 31, 1985

	1985 $
TRUST BALANCE - Beginning of the year - Note 1	146,743
REVENUES	
Interest earned	7,568
EXPENDITURES	
Funds remitted to Province of Ontario	25,721
Loans forgiven	17,480
	43,201
TRUST BALANCE - End of the year	111,110

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

ONTARIO HOME RENEWAL PROGRAM
TRUST FUND

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

1. Effective January 1, 1985, amendments to regulations require that the Ontario Home Renewal Program funds be accounted for as a trust fund and no longer as a reserve fund. This transfer of the fund balance resulted in an opening balance of $146,743.

2. The Ontario Home Renewal Program Trust Fund was authorized pursuant to By-Law 84-498 of the Corporation of the City of Trenton wherein the City of Trenton will establish and maintain a trust fund on behalf of the Ontario government for the repayment of the Ontario Home Renewal Program Loans.

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 1985

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Chairman and Members of the
Trenton Memorial Public Library Board

We have examined the balance sheet of the Trenton Memorial Public Library Board as at December 31, 1985 and the statements of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Library Board as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles for Ontario municipalities applied on a basis consistent with that of the preceding year.

Trenton, Canada
February 5, 1986

Wilkinson & Company
Chartered Accountants
Municipal Licence #1117

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

1985

I N D E X

	Code Number
FINANCIAL STATEMENTS AND SUPPORTING SCHEDULES	
Auditors' Report	
Balance Sheet	C-1
Statement of Revenue and Expenditure	C-2
Statement of Continuity of Reserves and Reserve Funds	C-3
Notes to Financial Statements	C-4

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS

	1985 $	1984 $
UNRESTRICTED		
Cash	16,496	32,308
Accounts receivable	549	-
	17,045	32,308
RESTRICTED		
Cash	72,874	63,516
	89,919	95,824

LIABILITIES

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	20,176	17,184
RESERVES AND RESERVE FUNDS - PER STATEMENT C-3	72,874	63,516
FUND BALANCES AT THE END OF THE YEAR TO BE USED TO OFFSET (OR TO BE RECOVERED FROM) REVENUE IN 1986	(3,131)	15,124
	89,919	95,824

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON
TRENTON MEMORIAL PUBLIC LIBRARY BOARD
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 1985

	1985 Budget	1985 Actual	1984 Actual
REVENUE	$	$	$
Municipal contribution	249,707	249,707	232,164
Province of Ontario Per Capita Grant	33,539	34,501	33,539
Provincial Grant - Indicia Project	-	-	7,736
Automation Grant	-	32,459	-
Other Grants - Note 4	-	2,223	8,106
Other - Fines and fees	11,000	11,401	11,326
- Xerox and miscellaneous	6,000	5,365	5,999
- Donation	-	100	-
TOTAL REVENUE	300,246	335,756	298,870
EXPENDITURE			
Salaries and benefits			
Salaries and wages	189,611	188,582	147,026
Fringe benefits	19,400	19,547	14,850
Provision for sick leave liability	3,300	3,300	2,240
Travel: Conference	520	834	424
Professional development	2,300	2,183	1,666
	215,131	214,446	166,206
Materials, supplies and utilities			
Books, periodicals and other materials	53,676	54,084	60,490
Utilities	9,305	9,080	8,635
Other supplies and expenses	10,800	11,008	10,358
	73,781	74,172	79,483
Services and rents			
Rents - equipment	4,000	3,907	3,729
Other			
Repairs and maintenance	3,000	4,347	1,700
Miscellaneous	6,008	7,198	5,889
Insurance	4,700	4,546	4,338
	17,708	19,998	15,656
Total operating expenditure	306,620	308,616	261,345
Capital expenditures	5,250	6,226	7,569
Transfers to reserve fund	-	-	3,124
Indicia Project	-	-	8,185
Telidon service	3,500	4,498	3,469
	315,370	319,340	283,692
AUTOMATION - Salaries and fringe benefits	-	26,359	-
- Equipment lease	-	6,862	-
- Supplies	-	765	-
- Consultant fees	-	685	-
	-	34,671	-
TOTAL EXPENDITURE	315,370	354,011	283,692
EXCESS OF REVENUE OVER EXPENDITURES (Expenditures over revenue)	(15,124)	(18,255)	15,178
FUND BALANCES - BEGINNING OF THE YEAR	15,124	15,124	(54)
FUND BALANCES - END OF THE YEAR	-	(3,131)	15,124

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

RESERVES AND RESERVE FUNDS

STATEMENT OF CONTINUITY AND ANALYSIS OF YEAR-END POSITION

FOR THE YEAR ENDED DECEMBER 31, 1985

	1985 $	1984 $
AVAILABLE AT THE BEGINNING OF THE YEAR FOR FUTURE BOARD PURPOSES	63,516	54,447
REVENUE		
Donations	2,211	624
Contributions from current revenue	-	2,500
Interest earned	7,147	5,945
	9,358	9,069
AVAILABLE AT THE END OF THE YEAR FOR FUTURE BOARD PURPOSES	72,874	63,516
ANALYSIS OF YEAR-END POSITION		
Capital expenditure fund - Note 5	69,969	62,892
Memorial fund	2,905	624
YEAR-END POSITION OF RESERVES AND RESERVE FUNDS	72,874	63,516

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Balance Sheet

The balance sheet reflects the combined assets and liabilities of the revenue fund, capital fund, and reserve funds.

(b) Fixed Assets

No value is attached to fixed assets for municipal reporting purposes. Expenditures on fixed assets are charged against current revenue unless the expenditures are financed out of long-term debt. Debt retirement costs are charged against current revenues in the periods in which they are paid.

(c) Interest Income

The Board has adopted the policy to include all interest earned on term deposits as a part of the Capital Expenditure Reserve Fund.

2. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the former sick leave benefit plan, unused sick leave could accumulate and employees could become entitled to a cash payment when they left the Board's employment.

The liability for these accumulated days, to the extent that they have vested and can still be taken in cash by employees on terminating amounted to $21,251 at the end of the year. An amount of $14,649 has been provided for this past-service liability of which $3,300 is reflected as an expenditure in 1985.

Employees are now participating in a disability income plan.

As a result, the accumulated sick leave benefits related to these employees are being paid out over the next three years.

3. CONTRIBUTIONS TO RESERVE FUNDS

Interest income from investments amounting to $7,147 was credited directly to reserve funds without being recorded as revenues and expenditures of the revenue fund.

This consisted of:	Capital reserve fund	$7,078
	Reid Memorial Fund	69
		$7,147

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

4. PROVINCE OF ONTARIO - GRANTS

Grants received from the Province of Ontario are as follows:

	1985 $	1984 $
T.V. Ontario	457	3,106
Employment Grant	1,766	-
Wintario Book Collection Grant	-	5,000
	2,223	8,106

5. AUTOMATION PROJECT - HASTINET

The Trenton Memorial Public Library Board and the Belleville Public Library Board have agreed to a joint Library Automation Preparation Project. The project involves automating the two libraries circulation systems.

The estimated cost of equipment for this automation is $300,000 of which $211,000 will be funded by a government grant for which Hastinet has received approval.

The Trenton Memorial Library Board's 32% share of the shortfall for equipment, materials and labour will be funded from the Capital Expenditure reserve fund.

Both member libraries shall enter into a separate "User" contract regarding use of and access to the Central Control System to be maintained at the Belleville Public Library. A user service charge shall be set regularly by the Hastinet Board.

6. FEASIBILITY STUDY

The Trenton Memorial Public Library Board is currently considering expanding its facilities. A feasibility study will be conducted in 1986 to determine the advised method of expansion. Financial assistance will be applied for to aid in the study.

7. COMPARATIVE FIGURES

In order to conform with the presentation adopted in 1985, certain of the comparative figures for 1984 have been reclassified.

CITY OF TRENTON

TRENTON DOWNTOWN BUSINESS IMPROVEMENT

AREA BOARD OF MANAGEMENT

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 1985

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Chairman and Members of the
Trenton Downtown Business Improvement
Area Board of Management

We have prepared the balance sheet of the Trenton Downtown Business Improvement Area Board of Management as at December 31, 1985 and the statement of revenue and expenditure and area ratepayers' surplus (deficit) for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Trenton Downtown Business Improvement Area Board of Management as at December 31, 1985 and the results of its operations for the year ended in accordance with generally accepted accounting principles for Ontario Municipalities applied on a basis consistent with that of the preceding year.

Wilkinson & Company

Trenton, Canada
January 30, 1986

Chartered Accountants
Municipal Licence #1117

CITY OF TRENTON

TRENTON DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS

	1985 $	1984 $
UNRESTRICTED		
Cash	100	100
Prepaid expenses	190	90
	290	190
LIABILITIES		
Accounts payable - City of Trenton	314	4,640
AREA RATEPAYERS' INVESTMENTS		
SURPLUS (DEFICIT)	(24)	(4,450)
	290	190

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

TRENTON DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT

STATEMENT OF REVENUE AND EXPENDITURE AND AREA RATEPAYERS' SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 1985

	Budget 1985 $	Actual 1985 $	Actual 1984 $
REVENUE			
Corporation of the City of Trenton	70,290	70,290	66,000
Interest	-	194	506
	70,290	70,484	66,506
EXPENDITURE			
Advertising			
Autumn Promotion	3,000	2,019	3,961
Christmas Promotion	13,000	14,691	15,002
Fishing Derby	-	378	1,280
General	5,000	5,271	1,153
Santa Claus Parade and Display	500	500	1,000
Sidewalk Sale	4,000	4,162	3,446
Sports Show	-	-	495
Decorative lighting - Christmas and Fascia	5,000	8,572	-
Educational Programs	-	-	502
Front and Division Street Improvements			
Parking	5,000	2,148	-
Street Lights	-	-	2,359
Fountain	-	-	36,810
Flowers and maintenance	7,000	7,000	8,190
General improvements	-	1,918	6,717
Memberships	250	250	300
Miscellaneous	690	553	550
Purchase of office equipment	3,000	3,065	-
Office supplies	1,200	839	1,081
Professional fees	1,000	915	650
Quinte Street improvements	7,000	5,141	-
Rent - Office	1,200	1,050	1,200
Rent - Muzak	850	666	785
Telephone	-	221	-
Travel and conferences	600	374	579
Wages - Recording secretary	7,000	4,988	4,564
- Student Help	2,000	1,337	464
	67,290	66,058	91,088
INVENTORY DECREASE	-	-	8,700
	67,290	65,160	99,788
EXCESS OF REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE) FOR THE YEAR	3,000	4,426	(33,282)
TRANSFER FROM RESERVE FOR INVENTORY	-	-	8,700
	-	-	(24,582)
SURPLUS (DEFICIT) - BEGINNING OF YEAR	(4,450)	(4,450)	20,132
SURPLUS (DEFICIT) - END OF YEAR	(1,450)	(24)	(4,450)

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fixed Assets

No value is attached to fixed assets for municipal reporting purposes. Expenditures on fixed assets are charged against current revenues unless the expenditures are financed out of long-term debt. Debt retirement costs are charged against current revenues in the period in which they are paid.

2. AUTHORIZATION

The Board was authorized pursuant to By-law 76-3265 of the Corporation of the City of Trenton wherein power was entrusted to it for the improvement, beautification and maintenance of the Area and the promotion of the Area as a business and shopping area.

3. TAX ASSESSMENT

Revenue is received through the Corporation of the City of Trenton by an additional assessment, as authorized by Council on the businesses in the designated Improvement Area.

4. COMPARATIVE FIGURES

In order to conform with the presentation adopted in 1985, certain of the comparative figures for 1984 have been reclassified.

CITY OF TRENTON

TRENTON PARKING AUTHORITY

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 1985

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Chairman and Members of the
Trenton Parking Authority

We have examined the balance sheet of the Trenton Parking Authority as at December 31, 1985 and the statements of current operations and capital operations for the year then ended. Our examination was made in accordance with generally auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Authority as at December 31, 1985 and the results of its operations for the year then ended in accordance with generally accepted accounting principles for Ontario Municipalities applied on a basis consistent with that of the preceding year.

Wilkinson & Company

Trenton, Canada
January 30, 1986

Chartered Accountants
Municipal Licence #1117

CITY OF TRENTON

TRENTON PARKING AUTHORITY

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS

	1985 $	1984 $
UNRESTRICTED		
Due from City of Trenton	3,218	141,577
Investments - at cost (approximate market value $9,340), $10,000 - 6% Hydro Electric Power Commission of Ontario Bonds, due July 5, 1988	9,861	9,861
	13,079	151,438
CAPITAL OUTLAY FINANCED BY LONG-TERM LIABILITIES AND TO BE RECOVERED IN FUTURE YEARS - Note 1(a)	165,000	59,000
	178,079	210,438

LIABILITIES

LONG-TERM LIABILITIES - Note 2	165,000	59,000
RESERVE - METER REPLACEMENTS	-	71,697
RESERVE - LAND ACQUISITION	-	69,000
UNAPPLIED REVENUE	13,079	10,741
	178,079	210,438

CONTINGENCY - Note 3

APPROVED ON BEHALF OF THE BOARD

_____
Member

_____
Member

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

TRENTON PARKING AUTHORITY

STATEMENT OF CURRENT OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1985

	Budget $	1985 $	1984 $
REVENUE			
Parking meter collections			
Streets and parking lots	78,000	89,272	78,012
Docks	2,000	2,087	2,330
Fines	39,000	40,656	40,064
Permits	3,200	4,894	3,518
Investment income	12,000	8,148	14,062
Rental income	1,700	1,302	1,765
Appropriation from reserves			
- Land acquisitions	-	69,000	-
- Meter replacement	8,000	71,697	-
	143,900	287,056	139,751
EXPENDITURE			
Debt charges - principal	4,000	4,000	2,000
- interest	6,618	6,618	6,832
Administration	9,400	8,544	8,823
Appropriation to capital operations	10,000	143,959	26,444
Clothing	3,400	172	5,362
Convention and courses	5,000	4,406	2,990
Employees' benefits	7,104	5,131	6,077
Insurance	265	-	259
Lights	3,800	4,256	3,759
Repairs and maintenance - heads and posts	10,000	12,172	9,838
- lots	20,000	26,980	10,226
Salaries	34,679	37,790	32,648
Supplies and other expenses	1,200	896	760
Taxes	28,000	29,794	26,442
Appropriation to reserve			
- meter replacement	-	-	71,697
- land acquisition	-	-	69,000
	143,466	284,718	283,157
EXCESS OF REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE)	434	2,338	(143,406)
UNAPPLIED REVENUE - BEGINNING OF YEAR	10,741	10,741	154,147
UNAPPLIED REVENUE - END OF YEAR	11,175	(13,079)	10,741

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON PARKING AUTHORITY

STATEMENT OF CAPITAL OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1985

	1985 Actual $	1984 Actual $
SOURCE OF FUNDS		
Long-term liabilities incurred	110,000	-
Appropriations from current operations	143,959	26,444
	253,959	26,444
CAPITAL EXPENDITURES	253,959	26,444
CAPITAL OPERATIONS NOT YET FINANCED	-	-

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON PARKING AUTHORITY

STATEMENT OF CONTINUITY OF RESERVES AND

ANALYSIS OF YEAR-END POSITION

FOR THE YEAR ENDED DECEMBER 31, 1985

	1985 $	1984 $
BALANCE AT BEGINNING OF THE YEAR	140,697	-
REVENUE		
Contribution from current operations	-	140,697
	140,697	140,697
EXPENDITURES		
Appropriation to current operations		
Land acquisition	69,000	-
Meter replacement	71,697	-
	140,697	-
	-	140,697
ANALYSIS OF YEAR-END POSITION		
Land acquisition	-	69,000
Meter replacement	-	71,697
	-	140,697

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

TRENTON PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long-term liabilities which are charged against operations in the periods in which they are paid. The principal and interest charges are not accrued for the periods from the dates of the latest instalment payments to the end of the financial year.

ii) The accrual basis of accounting recognize revenues as they become available and measurable: expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal liability to pay.

iii) Capital outlay to be recovered in future years. The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Instead, the "Capital outlay to be recovered in future years", which represents the outstanding principal portion of unmatured long-term liabilities for municipal expenditures is reported on the Balance Sheet.

2. LONG-TERM LIABILITIES

The City of Trenton issued a debenture in 1975 on behalf of the Parking Authority. The debenture was in the amount of $75,000, matures in 1995, and bears interest as follows:

Years 1 - 5 10-3/8%
Years 6 - 10 10-3/4%
Years 11 - 20 11-1/4%

	$
Total amount outstanding	55,000

The City of Trenton acquired a ten-year bank loan in 1985 on behalf of the Parking Authority for land acquisition. This bank loan was in the amount of $110,000, maturing in 1996, and bears interest at 11-3/4% for the first five years. Blended annual payments are $19,269.

Total amount outstanding	110,000
	165,000

CITY OF TRENTON

TRENTON PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

2. LONG-TERM LIABILITIES (Cont'd)

Total debt charges for the next five years on the existing long-term debts are as follows:

	Principal $	Interest $	Total $
1986	9,345	19,113	28,458
1987	11,090	18,030	29,119
1988	11,923	16,746	28,669
1989	12,854	15,366	28,220
1990	14,894	13,875	28,769
	60,106	83,130	143,235

3. CONTINGENT LIABILITY

An employee brought suit against the Parking Authority for wrongful dismissal. There is likelihood of a negotiated settlement but the amount of any loss is not reasonably estimable.

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 1985

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

The Chairman and Commissioners of the
Trenton Public Utilities Commission

We have examined the balance sheet of The Trenton Public Utilities Commission - Water Supply System of The Corporation of the City of Trenton as at December 31, 1985 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Trenton Public Utilities Commission - Water Supply System of The Corporation of The City of Trenton as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles generally accepted for Ontario Water Utilities and as described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Wilkinson & Company

Trenton, Canada
March 28, 1986

Chartered Accountants
Municipal Licence #1117

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

STATISTICS

(UNAUDITED)

FOR THE YEAR ENDED DECEMBER 31, 1985

NAME AND ADDRESS OF WATERWORKS	Filtration Plant, Chester Road, Trenton, Ontario
NAME, TITLE AND MAILING ADDRESS	Trenton Public Utilities, 50 Elgin Street P.O. Box 487 Trenton, Ontario, K8V 5R6
SENIOR ELECTED OFFICIAL	J. A. Robertson, Chairman
MANAGEMENT OFFICIAL	D. E. Manlow, Manager
CHIEF FINANCIAL OFFICER	D. E. Manlow, Secretary-Treasurer

QUALITY ACHIEVED

Characteristics	Average raw water values	No. of Samples	Average treated water value	No. of Samples
Hardness	126 mg/l	8	114 mg/l	8
Iron	.20 mg/l	8	.05 mg/l	8
Chloride	8.0 mg/l	8	.12 mg/l	8
Colour	20 Hazen Units	8	5 Hazen Units	8
Turbidity	2.0 FTU or JTU	8	0.24 FTU or JTU	8
Total coliform organisms	44 per 100 ml	52	0 per 100 ml	52

TREATMENT PROVIDED

Chlorination
Coagulation
Flucculation
Settling
Filtration
Taste and odour control

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

STATISTICS

(UNAUDITED)

FOR THE YEAR ENDED DECEMBER 31, 1985

	1985	1984
POPULATION OF THE MUNICIPALITY	15,088	14,887
ESTIMATED POPULATION SERVED	99.5%	99.5%
OTHER MUNICIPALITIES SUPPLIED	Canadian Forces Base, Trenton	Canadian Forces Base, Trenton
AREA OF MUNICIPALITY	3,516 acres	3,516 acres
AREA SERVICED	2,906.5 acres	2,906.5 acres
SOURCE OF SUPPLY	Springs, wells, and surface	Springs, wells, and surface
MILES OF MAINS:		
Under 6"	5.8	5.8
6"	24.9	24.5
8" to 10"	11.0	10.6
12" to 16"	13.9	13.9
Over 16"	1.1	1.1
ANNUAL QUANTITY OF WATER DISTRIBUTED (Thousands of Gallons)	1,251,607	1,174,002
STORAGE CAPACITY - PURE - 1,250,000; RAW - 100,000,000		
PEAKLOAD		
Maximum month	98,505	112,933
Average month	104,300	97,834
Maximum day	4,820	4,645
Average day	3,429	3,216
USAGE		
Number of customers		
- residential	4,545	4,485
- non-residential	504	494

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

STATISTICS

(UNAUDITED)

FOR THE YEAR ENDED DECEMBER 31, 1985

PERCENTAGE OF WATER USE	1985	1984
Residential	45%	42%
Non-residential	55%	58%

WATER RATES

Metered	
Residential) Up to 3/4" meters	Minimum $6.25 per month
Commercial)	$.702 per 100 cu. ft. 1st block of 10,000 cu. ft.
	$.530 per 100 cu. ft. for balance
	$3.55 service charge
	Service charge for service over 3/4" will be based on current demand factor table
Flat rates	
Net minimum connection, single tap	$12.35 per month
Each additional flush, bath basin	$1.20 per month
Other charges	
Tapping	3/4" = $50.00
Tapping	1" to 2" = $75.00
Main	Above = $150.00

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS

	1985 $	1984 $
CURRENT ASSETS		
Cash	288,678	298,700
Short-term investment	349,122	-
Accounts receivable		
- Sundry	25,697	1,673
- Electric Department	130,084	97,223
Unbilled revenue	139,991	131,353
Inventories - at average cost	39,021	37,212
	972,593	566,161
CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS		
From waterworks revenues	532,000	557,000
	1,504,593	1,123,161

LIABILITIES

CURRENT LIABILITIES		
Accounts payable - trade	20,093	17,779
- accumulated sick leave	49,954	46,938
Payable to own municipality	71,640	66,946
	141,687	131,663
LONG-TERM DEBT FINANCED BY THE MUNICIPALITY	532,000	557,000
ACCUMULATED NET REVENUE	830,906	434,498
	1,504,593	1,123,161

APPROVED ON BEHALF OF THE COMMISSION

_____
Commissioner

_____
Commissioner

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 1985

	1985 $	1984 $
ACCUMULATED NET REVENUE AT THE BEGINNING OF THE YEAR	434,498	193,446
EXPENDITURE		
Operations		
Water supply	316,120	260,282
Power and pumping	104,941	102,071
Water transmission and distribution	159,061	148,273
Administration	272,423	293,169
TOTAL OPERATING EXPENDITURE	852,545	803,795
Principal payments and interest charges on long-term debt and advances	84,210	135,650
Capital expenditure out of current revenue	146,966	200,941
Settlements of labour and impost disputes	-	30,108
TOTAL EXPENDITURE	1,083,721	1,170,494
REVENUE		
Sale of water	1,261,333	1,188,765
Fire protection	98,758	92,976
Other revenue	120,038	129,805
TOTAL REVENUE	1,480,129	1,411,546
ACCUMULATED NET REVENUE AT THE END OF THE YEAR	830,906	434,498

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Those accounting policies deemed to be significant are as follows:

(a) Fixed Assets

No value is attached to fixed assets for Water Supply System reporting purposes. Expenditures on fixed assets are charged against current revenues unless the expenditures are financed out of long-term debt. Debt retirement costs are charged against current revenues in the periods in which they are paid.

(b) Charges for Net Long-Term Liabilities

Charges for net long-term liabilities include principal and interest. Interest charges are not accrued for the period from the date of the latest interest payment to the end of the fiscal year. Total principal and interest for net long-term liabilities in the year were as follows:

	1985 $	1984 $
Principal payments	25,000	24,000
Interest on debentures	59,210	61,650
Principal payment on advances	-	50,000
	84,210	135,650

(c) Revenue Recognition

Revenue from the sale of water is recognized at the time services are rendered to customers.

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

2. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the former sick leave benefit plan, unused sick leave could accumulate and employees could become entitled to a cash payment when they left the Utility's employment.

Employees are now participating in a disability income plan. As a result of this, the accumulated sick leave benefits of $139,802 will be paid out over a period of five years beginning in 1986.

The current policy adopted by the Commission is to provide in the accounts for a minimum of 30% of the accumulated sick leave liability. An amount of $49,954 has been provided for this liability and a provision of $3,016 has been made for sick leave credits accumulated in 1985 (1984 - $7,072).

3. NET LONG-TERM LIABILITY REPAYMENTS

Future required payments on debenture debt are as follows:

Per City Debentures	Principal $	Interest $	Total $
1986	30,000	56,662	86,662
1987	32,000	53,510	85,510
1988	36,000	50,093	86,093
1989	40,000	46,217	86,217
1990	46,000	41,910	87,910
Thereafter to 1997	348,000	132,497	480,497
	532,000	380,889	912,889

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 1985

4. TRANSFER OF WATER SUPPLY SYSTEM EXCESS OF RECEIPTS OVER EXPENDITURES TO CORPORATION

Section 35 of The Public Utilities Act provides that a water supply system operated by a Public Utilities Commission, shall pay over to the Treasurer of the municipality the excess of receipts over expenditures incurred for the maintenance and operation of the Utility. No such transfer was made with respect to the calendar year ended December 31, 1985, although an accumulated amount of $830,906 was available.

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

ANALYSIS OF REVENUE

FOR THE YEAR ENDED DECEMBER 31, 1985

	1985 $	1984 $
SALE OF WATER		
Residential	521,428	479,709
Non-residential	739,905	709,056
	1,261,333	1,188,765
FIRE PROTECTION		
Own municipality	98,758	92,976
OTHER REVENUE		
Installation and service charges	18,020	67,661
Forfeited discounts and penalties	8,070	7,885
Miscellaneous	68,273	44,661
Impost fees	25,675	9,598
	120,038	129,805
TOTAL REVENUE	1,480,129	1,411,546

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

ANALYSIS OF EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 1985

	1985 $	1984 $
WATER SUPPLY	316,120	260,282
POWER AND PUMPING	104,941	102,071
WATER TRANSMISSION AND DISTRIBUTION		
Mains	139,274	121,026
Meters	15,010	21,702
Hydrants	4,777	5,545
	159,061	148,273
ADMINISTRATIVE		
General administration	141,749	167,876
Billing and data processing	93,868	92,968
Consumer premises expenses	36,806	32,325
	272,423	293,169
TOTAL OPERATING EXPENDITURE	852,545	803,795
OTHER EXPENDITURE		
Principal payments on long-term debt	25,000	24,000
Interest charges on long-term debt	59,210	61,650
Principal payment on advances	-	50,000
	84,210	135,650
Settlements of labour and impost disputes	-	30,108
Capital expenditure out of current revenue	146,966	200,941
TOTAL EXPENDITURE	1,083,721	1,170,494

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 1985

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

The Chairman and Commissioners of the
Trenton Public Utilities Commission

We have examined the balance sheet of The Trenton Public Utilities Commission - Hydro-Electric System of The Corporation of The City of Trenton as at December 31, 1985 and the statements of revenue and expenditure and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Trenton Public Utilities Commission - Hydro-Electric System of The Corporation of The City of Trenton as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles generally accepted for Ontario Water Utilities and as described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Wilkinson & Company

Trenton, Canada
March 28, 1986

Chartered Accountants
Municipal Licence #1117

CITY
TRENTON PUBLIC
HYDRO-ELE
BALANCE SHEET AS

ASSETS

	1985 $	1984 $
CURRENT		
Cash	482,333	349,948
Short-term investment	799,089	749,228
Accounts receivable	122,231	175,472
Accrued interest receivable	974	9,837
Due from City of Trenton	30,813	17,532
Unbilled revenue	1,363,976	1,155,370
Inventories - Note 1(a)	352,455	351,203
	3,151,871	2,808,590
FIXED		
Land	146,285	145,700
Buildings, plant and equipment	6,519,306	5,783,002
Construction in progress - Note 4	-	114,355
	6,665,591	6,043,057
Less: accumulated depreciation	2,564,533	2,317,720
	4,101,058	3,725,337
OTHER		
Equity in Hydro-Electric Power Commission of Ontario	5,137,523	4,722,755
Deferred charges	697	2,674
	5,138,220	4,725,429
	12,391,149	11,259,356

APPROVED ON BEHALF OF THE COMMISSION

_____
Commissioner

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Commissioner

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WILKINSON

CITY OF TRENTON
PUBLIC UTILITIES COMMISSION
HYDRO-ELECTRIC SYSTEM
SHEET AS AT DECEMBER 31, 1985

LIABILITIES

1984 $		1985 $	1984 $
	CURRENT		
349,948	Accounts payable	995,992	790,942
749,228	Other -		
175,472	Due to - Water Department	130,084	97,223
9,837	Customers' deposits	136,110	119,270
17,532	Current portion of accrued sick leave	32,803	5,091
1,155,370		1,294,989	1,012,526
351,203			
2,808,590	LONG-TERM		
145,700	Accrued sick leave	143,653	144,637
5,783,002	Less: current portion included above	32,803	5,091
114,355		110,850	139,546
5,043,057			
2,317,720	DEFERRED CREDIT		
3,725,337	Contributions in aid of construction - Note 6	519,470	376,126
	Less: accumulated amortization on contributions	(52,365)	(34,986)
		467,105	341,140
4,722,755			
2,674	TOTAL LIABILITIES	1,872,944	1,493,212
4,725,429	RESERVES		
	Equity in Hydro Electric Power Commission of Ontario	5,137,523	4,722,755
	ACCUMULATED NET REVENUE	5,380,682	5,043,389
11,259,356		12,391,149	11,259,356

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 1985

	1985 $	1984 $
ACCUMULATED NET REVENUE AT THE BEGINNING OF THE YEAR - Note 7	5,043,389	4,518,651
REVENUE		
Sale of Energy		
Residential	2,798,984	2,570,787
General service	4,651,230	4,080,870
Large user	1,976,002	1,742,562
Street lighting	78,528	72,071
	9,504,744	8,466,290
Other income - Note 2	258,743	240,588
TOTAL REVENUE	9,763,487	8,706,878
EXPENDITURE		
Energy cost	8,691,012	7,500,724
Operation maintenance	209,409	168,984
Administration	246,181	248,129
Financial expense - long-term	-	2,562
Depreciation - Note 1 (b)	216,978	190,375
Other - Note 3	62,614	71,366
TOTAL EXPENDITURE	9,426,194	8,182,140
EXCESS OF REVENUE OVER EXPENDITURE	337,293	524,738
ACCUMULATED NET REVENUE AT THE END OF THE YEAR	5,380,682	5,043,389

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1985

	1985 $	Restated 1984 $
OPERATING ACTIVITIES		
Excess of revenue over expenditure for the year	337,293	524,738
Adjustment for items which do not affect cash -		
Depreciation	248,034	211,299
Amortization of discount	-	138
Amortization of deferred credit	(17,379)	(10,845)
Amortization of deferred charges	1,977	2,914
	569,925	728,244
Net change in non-cash working capital balances related to operations - Note 7	43,855	(375,282)
INCREASE (DECREASE) IN ACCRUED SICK LEAVE	(984)	(6,310)
	612,796	346,652
INVESTING ACTIVITIES		
Investment in fixed assets	(623,755)	(441,599)
Investment in deferred charges	-	(425)
	(623,755)	(442,024)
FINANCING ACTIVITIES		
Contributions in aid of construction	143,344	50,298
Repayment of debenture	-	(25,000)
	143,344	25,298
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS FOR YEAR	132,385	(70,074)
CASH AND EQUIVALENTS - BEGINNING OF YEAR	349,948	420,022
CASH AND EQUIVALENTS - END OF YEAR	482,333	349,948

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985 P-4

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by Ontario Hydro under the authority of Section 97 of The Power Corporation Act and reflect the following policies as set forth in the manual "Accounting for Municipal Electrical Utilities in Ontario".

Those accounting policies deemed to be significant are as follows:

(a) Inventories of Supplies

Inventories of supplies amounting to $352,455 (1984 - $351,203) are included in current assets and are reflected on an average cost basis.

(b) Fixed Assets

The Electric Utility combines the use of fund accounting and depreciation accounting which is unique to their industry.

The records of the Hydro-Electric Utility are under the direct supervision of the municipal accountant from the Hydro-Electric Power Commission of Ontario, who is responsible for expense distribution, reconciling power purchased with power sold and compliance with capital expenditure budgets.

The rates and formulas in use to calculate depreciation are established by H.E.P.C.

Total depreciation charged to expenditure in the year is as follows:

	1985 $	1984 $
Total Depreciation	248,034	211,299
Less: Depreciation on rolling stock and miscellaneous equipment allocated to other expenditures	31,056	20,924
	216,978	190,375

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985 P-4

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Revenue Recognition

(i) In accordance with accounting policies determined for Ontario Municipal Electric Utilities by The Hydro-Electric Power Commission of Ontario, revenue from the sale of electrical energy by this utility is recognized at the time energy is consumed by customers.

(ii) Funds received as capital contributions from subdividers, builders and government agencies are credited directly to the account contributions in aid of construction. The amortization for the year is reflected as income as shown in Note 2 and explained in Note 6.

(d) Charges for Net Long-Term Liabilities

Debentures are recorded as unmatured debenture debt in the year of sale. Charges for net long-term liabilities include interest only in 1984.

Total principal and interest for net long-term liabilities in the year were as follows:

	1985 $	1984 $
Principal payments	-	25,000
Interest	-	2,562
	-	27,562

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985 P4

2. OTHER INCOME

	1985 $	1984 $
Customers' late payment penalties	32,279	31,540
Servicing of customers' installations	5,882	5,262
Profit on sundry sales	2,083	2,236
Other		
Dusk to dawn rental	1,998	2,089
Office rental	34,018	32,695
Miscellaneous	20,442	21,686
Interest income	114,614	105,519
Sewer service rate collection	30,048	28,716
Amortization of contributions in aid of construction	17,379	10,845
	258,743	240,588

3. OTHER EXPENDITURE EXCLUSIVE OF DEPRECIATION AND DEBENTURES

	1985 $	1984 $
Buildings, operation and maintenance	39,186	33,925
Promotion of business	613	121
Dusk to dawn lighting	2,157	1,711
Servicing customers' installations	16,644	14,734
Interest	4,014	4,489
Feasibility study	-	3,557
Settlement of impost fees	-	12,829
	62,614	71,366

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985 P-4

4. CONSTRUCTION IN PROGRESS

The account includes the costs of construction projects currently in progress but not yet completed. It includes labour with payroll burden, material, trucking and other expenses directly identifiable with the asset being constructed and also includes the cost of any item purchased for a specifically identifiable future capital project. Once the project has reached completion and is placed in service, the cost is transferred to the appropriate fixed asset account.

5. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the former sick leave benefit plan, unused sick leave could accumulate and employees could become entitled to a cash payment when they left the Utility's employment.

The employees are now participating in a disability income plan. As a result of this, the accumulated sick leave benefits related to these employees are being paid out over a period of five years commencing in 1986.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by employees on terminating, amounted to $143,653 at the end of the year ($144,637 in 1984). This liability has been fully provided for in the accounts.

6. CONTRIBUTIONS IN AID OF CONSTRUCTION AFTER JANUARY 1, 1980

The account includes the non-refundable required contributions for fixed assets. These contributions are amortized over the life of the related assets.

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985 P-4

7. STATEMENT OF CHANGES IN FINANCIAL POSITION

In 1985, the utility changed the definition of funds in the statement of changes in financial position from working capital to cash and cash equivalents net of short-term borrowings.

The 1984 comparative figures have been restated to conform to the 1985's method of presentation.

Cash provided by (used in) non-cash working capital is compiled as follows:

	1985 $	1984 $
(INCREASE) DECREASE IN CURRENT ASSETS		
Short-term investment	(49,861)	(249,082)
Accounts receivable	53,241	(107,584)
Accrued interest receivable	8,863	(4,040)
Due from City of Trenton	(13,281)	(10,122)
Unbilled revenue	(208,606)	(116,259)
Inventories	(1,252)	29,773
	(210,896)	(457,314)
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	205,050	58,438
Due to Water Department	32,861	3,692
Deferred income - customer's deposits	16,840	19,902
	254,751	82,032
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	43,855	(375,282)